



Commonwealth
of Massachusetts

OCPF Online
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Office of Campaign and Political Finance
One Ashburton Place, Room 411
Boston, MA 02108

Advisory Opinion

October 14, 1999
AO-99-16

Jessie Ellis
49 Houghton Street
Lynn, MA 01905

Re: Lease of office space by political committee

Dear Ms. Ellis:

This letter is in response to your request for an opinion regarding the lease of office space by the political committee organized on behalf of Lynn city council candidate David Ellis ("the Committee").

You have stated that the Committee would like to lease space from a corporation for use as a political headquarters for the period September 1 through November 15, 1999. The rent would be \$500 for the entire 2 ½ month period. The space is located in the old Century Bank building in Lynn, which has been vacant for a number of years.

Question

Would such a lease be consistent with the campaign finance law, and if so, how should it be reported?

Answer

A lease for campaign office space is consistent with the campaign finance law, assuming that the amount paid is equivalent to the fair market rent of the property. The lease should be in writing. Payments made under the lease should be reported in Schedule B (expenditures) of the Committee's campaign finance reports.

Discussion

The campaign finance law provides that political committees organized on behalf of municipal candidates may make expenditures "for the enhancement of the political future of the candidate . . . so long as such expenditures is not primarily for the candidate's or any other person's personal use" M.G.L. c. 55, s. 6. OCPF regulations specifically provide that political committees may make reasonable and necessary expenditures in connection with a campaign office, including:

Office rent, provided that a political committee which is paying less than the fair market value of the space it rents is receiving a contribution in-kind from the landlord or owner of this office space. Such contribution in-kind is subject to all the provisions of M.G.L. c. 55, regarding disclosure, limitations and prohibitions on contributions.

See 970 CMR 2.05(2)(h)3 made applicable to the Committee by 970 CMR 2.06(3). Business and professional corporations, however, may not contribute to a candidate or that candidate's committee. See M.G.L. c. 55, s. 8 and AO-95-24. Therefore, assuming that the Committee's payment of \$500 to the corporation equals the fair market rent of the leased space, the expenditure would comply with the campaign finance law and the relevant regulations.¹ The Committee would report its rental payments on Schedule B of its campaign finance report, Form CPF M102.

Finally, although neither the campaign finance law nor OCPF regulations require that a political committee enter into a written contract for the lease or rental of office space for a campaign office, we strongly recommend that the Committee obtain a written lease for the space. See IB-88-02, a copy of which is enclosed for information.

This opinion is issued within the context of the Massachusetts campaign finance law and is provided solely on the basis of representations in your letter and your conversations with OCPF staff. Please contact us if you have further questions.

Sincerely,

A handwritten signature in cursive script, reading "Michael J. Sullivan", followed by a vertical line.

Michael J. Sullivan

¹ The campaign finance law defines the term "contribution" to include both "discounts" and "advances." See M.G.L. c. 55, s. 1. If payments to the corporation were less than the fair market rent for the property the Committee would receive a "discount." Similarly, if payments to the corporation were not made in a prompt manner in accordance with the lease and the corporation did not take commercially reasonable collection action, the Committee would receive an "advance." In either case, the corporation would be making, and the Committee receiving, a prohibited corporate contribution. See IB-88-02.

Jessie Ellis
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Director